

**SOUTHEAST ALASKA POWER AGENCY  
Special Board Meeting**

Southeast Alaska Power Agency | Ketchikan, Alaska

**Agenda for Monday, September 16, 2013 at 10:00 AM AKDT**

Access No. 1-800-315-6338

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1. Call to Order
  - A. Roll call
  
2. Approval of the Agenda
  
3. New Business
  - A. Consideration and approval of Resolution No. 2014-051 authorizing SEAPA to submit two renewable energy grant applications to the Alaska Energy Authority for Round VII of the Alaska Energy Authority Renewable Energy Grant Program.
  
4. Adjourn



**September 16, 2013 | Special Board Meeting**

**REVIEW OF SEAPA GRANT APPLICATIONS TO AEA  
GRANT APPLICATION DESCRIPTIONS**

**Overview of AEA Grant Phases I - IV:** The AEA classifies grants into four phases.

Phase I. Reconnaissance. A preliminary feasibility study designed to ascertain whether a feasibility study is warranted.

Phase II. Feasibility Analysis, Conceptual Design. A detailed evaluation intended to assess technical, economic, financial, and operational viability and to narrow focus of final design and construction. This category also includes resource assessment and monitoring.

Phase III. Final Design and Permitting. Project configuration and specifications that guide construction. Land use and resource permits and leases required for construction.

Phase IV. Construction, Commissioning, Operation, and Reporting. Completion of project construction and beginning of operations. It also includes follow-up O&M reporting requirements.

**SEAPA’s September 2013 Wind Grant Application to the AEA:**

Wind Grant Application. In July 2013, SEAPA accepted a 34-meter meteorological tower (Met Tower) and anemometers from the AEA to assess potential wind resources in the region. Based on receipt of that equipment, it is prudent to pursue funding in Round VII of the AEA’s Renewable Energy Fund Program to conduct a site assessment to determine the most suitable site for placement of the tower, where permitting can be obtained for data acquisition and eventual turbine installation, and a site that also makes sense from an operational perspective (transmission, environmental, airspace congestion, etc.). The funding requested for Phase I will cover the site assessment, which includes a preliminary analysis of the anticipated permitting and environmental concerns for prospective sites. Funding requested for Phase II will cover installation of the Met Tower, collection of raw wind data for a two-year period, analysis of the data collected, and a final report assessing the feasibility of installation of a wind turbine. SEAPA’s grant application will request the following funding for Phases I and II of the project:

<b>AEA Grant Request</b>	<b>\$167,127</b>
<b>SEAPA Match (5%)</b>	<b>\$ 8,356</b>
<b>Total Project Cost:</b>	<b>\$175,483</b>

In the FY14 budget, the board approved \$75,000 for wind energy feasibility, which will cover the SEAPA match of 5% and any other unanticipated expenditures. The City of Ketchikan and City and Borough of Wrangell have both sent letters of support for the project. The Ketchikan Gateway Borough Assembly will consider its support at their regular assembly meeting on September 16, and the Petersburg Borough will consider their support in their regular Assembly meeting in early October. Those letters of support will be submitted to the AEA as received as part of the grant application.

**Swan Lake Reservoir Expansion Project (SWL Project):**

Swan Lake Grant Application. Staff has kept the board updated on the progress of the SWL Project and the board cemented its commitment to the project via adoption of Resolution 2013-046, formally supporting a commitment to proceed with development of the project and in parallel, continuing to seek funding support from the State of Alaska. SEAPA will request \$12,330,519 from the State in its Fiscal Year 2015 State funding. The City and Borough have both ranked the project as a priority in their Community Priority Lists. Resolutions supporting the project have been adopted by each of our member communities, the Ketchikan Gateway Borough, and a letter of support has been received from Heatherdale Resources.

In parallel with seeking funding from the State's FY15 budget for the project, staff is preparing a grant application to solicit funds under Phase III (final design and permitting) and Phase IV (construction and commissioning) in the AEA's Round VII Renewable Energy Fund Program; however, limits are imposed on the amount of funds available for individual grant projects. Because the SEAPA region is defined as a low energy cost area (communities with a residential retail electric rate of below \$0.20 per kWh) the grant limit that can be requested for the SWL Project is \$4,000,000 in Round VII. To date, SEAPA has expended \$614,210 out-of-pocket toward the project. SEAPA will request the full limit of \$4,000,000 for the project with a dollar-for-dollar match.

A resolution is attached authorizing SEAPA to submit the two stated grants to the Alaska Energy Authority for Round VII of its Renewable Energy Grant Program, granting the CEO signature authority and designation as the point of contact to represent SEAPA for purposes of the grants. A suggested motion is as follows:

**SUGGESTED MOTION**

**I move to adopt Resolution 2014-051 authorizing SEAPA staff to submit two renewable energy grants to the Alaska Energy Authority for Round VII of the Alaska Energy Authority Renewable Energy Grant Program, authorizing Trey Acteson, CEO, to sign the grant applications, commit to the obligations under the grants, and to act as an established point of contact for the grants.**

**RESOLUTION 2014-051\*\***  
**THE SOUTHEAST ALASKA POWER AGENCY**

**Resolution Approving Alaska Energy Authority Round VII  
Renewable Energy Grant Program Applications for SEAPA's Wind  
Resource Assessment and Swan Lake Reservoir Expansion Projects**

**WHEREAS**, the Southeast Alaska Power Agency is a Joint Action Agency organized pursuant to State Statute; and,

**WHEREAS**, the Southeast Alaska Power Agency owns the Tye Lake and Swan Lake Hydroelectric Projects in Southeast Alaska, which provide renewable hydroelectric power to Ketchikan, Wrangell, and Petersburg; and,

**WHEREAS**, the Southeast Alaska Power Agency recognizes that additional renewable resources will be needed in the future to meet loads in Petersburg, Wrangell, and Ketchikan; and,

**WHEREAS**, the Southeast Alaska Power Agency recognizes that wind power is a renewable resource and desires to determine the feasibility of utilizing wind turbines to supplement existing hydro resources that provide power and energy to the communities of Ketchikan, Petersburg, and Wrangell; and,

**WHEREAS**, the Southeast Alaska Power Agency also recognizes that additional interties may be built to serve communities, including Kake and Metlakatla, and additional generation resources may also be required to serve those loads; and,

**WHEREAS**, the Southeast Alaska Power Agency's Swan Lake Reservoir Expansion Project is projected to add 25% additional storage for winter hydro generation, displacing up to 12,000 MWhrs of diesel generation annually; and,

**WHEREAS**, during the 2013 Alaska legislative session, the Southeast Alaska Power Agency submitted a funding request of \$12.3 million dollars for direct legislative funding consideration for its Swan Lake Reservoir Expansion Project to fund the project to completion; and,

**WHEREAS**, funds were not awarded to the Southeast Alaska Power Agency from the 2013 Alaska Legislative session and a cost and benefit analysis has established the benefits of the project; and,

**WHEREAS**, the Alaska Department of Commerce, Community & Economic Development appropriated \$3 million dollars for Hydroelectric Storage, Generation, Transmission & Business Analysis, of which funds of \$578,000 were allocated to the Swan Lake Reservoir Expansion Project; and,

**WHEREAS**, an Initial Consultation Document for the license amendment process has been filed with the Federal Energy Regulatory Commission for the Swan Lake Reservoir Expansion Project; and,

**WHEREAS**, the Southeast Alaska Power Agency is in compliance with all federal, state, and local laws including credit and federal tax obligations;

**NOW, THEREFORE, BE IT:**

**RESOLVED**, that the Southeast Alaska Power Agency Board of Directors approves the application for project funding from Round VII of the Alaska Energy Authority Renewable Energy Grant Program in the amount of \$175,483 of which the Southeast Alaska Power Agency will propose a 5% match for a Wind Resource Analysis; and,

**RESOLVED**, that the Southeast Alaska Power Agency Board of Directors approves the application for project funding from Round VII of the Alaska Energy Authority Renewable Energy Grant Program in the amount of \$4,000,000 for final design, permitting, and construction of the Swan Lake Reservoir Expansion Project; and,

**RESOLVED**, that the Southeast Alaska Power Agency Board of Directors authorizes Trey Acteson, its Chief Executive Officer, to sign the two stated grant applications, commit to the obligations under the grants, and to act as an established point of contact to represent the Southeast Alaska Power Agency for purposes of the stated grant applications.

Approved and signed this 16th day of September 2013.

**SOUTHEAST ALASKA POWER AGENCY**

By \_\_\_\_\_  
**Bob Sivertsen, Chairman of the Board**

**ATTEST:**

\_\_\_\_\_  
**Sam Bergeron, Secretary/Treasurer**